Test

# Title

## Overview and Origin

* Teladoc Health, Inc.
* The company was incorporated in 2002. Teladoc was founded in 2002 in [Dallas, Texas](https://en.wikipedia.org/wiki/Dallas,_Texas) by G. Byron Brooks EE MD and Michael Gorton. Billing itself as the oldest telemedicine company in United States,[[7]](https://en.wikipedia.org/wiki/Teladoc_Health#cite_note-D_Magazine-7) Teladoc's initial business model allowed patients to remotely consult with state-licensed doctors at any time.  In particular, Teladoc Health uses telephone and videoconferencing software as well as [mobile apps](https://en.wikipedia.org/wiki/Mobile_app) to provide [on-demand](https://en.wikipedia.org/wiki/Software_as_a_service) remote medical care.[[](https://en.wikipedia.org/wiki/Teladoc_Health#cite_note-CitationC-5)
* Teladoc wanted to leverage AI to streamline and optimize various aspects of healthcare delivery and clinical documentation. Intelligent automation, powered by Microsoft’s AI technologies, is expected to enhance the efficiency of administrative tasks, allowing healthcare professionals to focus more on patient care and less on paperwork.

## Business Activities

* In the face of an ongoing global healthcare workforce crisis and the shortage of clinicians, there was a need to reduce the administrative burden on the existing healthcare workforce and enhance the efficiency of administrative tasks, thereby allowing healthcare professionals to focus more on patient care and less on paperwork.

The healthcare industry has long been grappling with challenges related to workforce shortages and an overwhelming demand for medical services. In recent times, this crisis has only intensified, driven by various factors such as an aging population, increased prevalence of chronic diseases, and, most notably, the global COVID-19 pandemic. As healthcare providers strive to meet the mounting demands, the need for innovative solutions has become more urgent than ever, especially when it comes to administrative burdens put on clinicians. This shift will also improve overall patient experiences.

* The intended customers are Fortune 500 employers, as well as thousands of small businesses, labor unions, and public-sector employers, Hospitals and health systems, Global Insurers and individual patients.

The global telemedicine market size was valued at $87.41 billion in 2022 & is projected to grow from $94.44 billion in 2023 to $286.22 billion by 2030.

Teladoc Health Inc. to Hold Leading Position in the Market by Collaborating with Other Market Leaders Teladoc Health Inc. dominated the telemedicine market share in 2022. A large customer base, an established network of GPs & specialists, and strategic collaborations are the major factors that have helped the company dominate this industry.

* The partnership with Microsoft’s AI technologies provides a competitive advantage in the telemedicine marketplace. Teladoc announced is collaborating with [Microsoft](https://en.wikipedia.org/wiki/Microsoft) to combine its delivery platform for hospitals and health systems with [Microsoft Teams](https://en.wikipedia.org/wiki/Microsoft_Teams).[[58]](https://en.wikipedia.org/wiki/Teladoc_Health#cite_note-58) Teladoc introduced its primary care service Primary360 on a national scale in October 2021. The program gave members access to both a primary physician and care team, with a system in place for follow up reminders about appointments and personal maintenance. In February 2022, Teladoc Health launched Chronic Care Complete, a program to help patients manage multiple chronic conditions. Early testing suggests these AI note-taking solutions produce documentation that is both accurate and coherent. This efficiency would allow doctors, nurses, and other providers to devote more of their limited time to direct patient care rather than administrative tasks. Just as importantly, it helps combat documentation burnout.

Teladoc collaborated with Amazon for users to access Teladoc through [Alexa](https://en.wikipedia.org/wiki/Amazon_Alexa)[[61]](https://en.wikipedia.org/wiki/Teladoc_Health#cite_note-2022-www.politico.comb-61)and related voice-activated devices such as the [Echo](https://en.wikipedia.org/wiki/Echo), [Echo Dot](https://en.wikipedia.org/wiki/Echo_Dot), and [Echo Show](https://en.wikipedia.org/wiki/Echo_Show).

* Teladoc is using Intelligent automation, powered by Microsoft’s AI technologies. Microsoft will integrate AI and clinical documentation technology, like Microsoft Azure OpenAI Service, Azure Cognitive Services, and the Nuance Dragon Ambient eXperience™ (DAX™) to its Teladoc Health Solo™ virtual care platform. The integrated solutions will automate the creation of clinical documentation during virtual exams to help ease the burden on the healthcare workforce while improving the quality of shared medical information and the care it supports. The Teladoc Health Medical Group also plans to use Nuance DAX Express for care visits provided directly by Teladoc Health.
* The collaboration led to debate among experts about the potential impact on the health industry, with antitrust advocates raising concerns the partnership could result in Amazon dominating the telehealth market. In response to privacy concerns, Amazon noted it couldn't access or store any conversations that took place with Teladoc, only logging that a call took place, while Teladoc also responded that all interactions through Amazon would remain protected under [HIPAA](https://en.wikipedia.org/wiki/HIPAA).
* Enhancing Patient-Provider Interactions
* Beyond documentation, AI has promising applications throughout the telehealth experience that could make virtual visits more productive and personalized.
* For example, as telehealth scales rapidly, healthcare systems are seeing a flood of new patients interacting with providers who lack full knowledge of their medical history. AI algorithms can scan electronic health records to create quick patient profiles that give clinicians the context they need in the moment to deliver effective episodic care.
* Additionally, natural language processing enables AI assistants to listen in on telehealth consultations. These assistants can then suggest relevant follow-up questions to providers in real time to improve diagnosis and treatment. As the technology advances, AI even holds the potential to flag potential health concerns that the provider does not directly ask about.
* One of the core promises of telehealth is improving healthcare access and convenience for patients. AI stands to further these advantages.
* For one, integrating AI scheduling assistants and chatbots onto telehealth platforms can make booking appointments faster and simpler. Patients may even be able to schedule visits outside of regular business hours when primary care offices are closed.
* Once in a visit, AI evaluation and triage tools can reduce appointment length for minor concerns by quickly gathering basic health information. This would allow providers to see more patients in less time, increasing access
* Looking ahead, we are still just scratching the surface of what AI can do for healthcare and telehealth. Microsoft's acquisition of AI pioneer OpenAI reflects the massive investments that tech leaders are making into the space.
* As these systems grow more advanced, AI diagnosticians may one day be able to independently handle routine health concerns without a human provider in the loop. AI robots could even conduct physical exams virtually under a provider's supervision. Further down the line, predictive algorithms may give patients personalized warnings about potential health risks.
* Of course, there are still significant technical limitations and privacy concerns. However, the pace of advancement shows that AI is poised to revolutionize how we provide, receive, and think about healthcare. The integration into telehealth is only the beginning. This presents huge opportunities to increase quality, access, and affordability. But it also raises questions about the ideal balance between technology and human providers. If thoughtfully implemented, AI can complement clinicians rather than outright replacing them. The Teladoc and Microsoft collaboration represents an early model of humans and machines working together to make virtual care more efficient and effective.

## Landscape

The company operates broadly in the Telehealth industry.

* **Telehealth** is the distribution of [health-related services](https://en.wikipedia.org/wiki/Health_care) and information via electronic information and [telecommunication technologies](https://en.wikipedia.org/wiki/Telecommunication). It allows long-distance patient and clinician contact, care, advice, reminders, education, intervention, monitoring, and remote admissions. **Telemedicine** is sometimes used as a synonym, or is used in a more limited sense to describe remote clinical services, such as diagnosis and monitoring. When rural settings, lack of transport, a lack of mobility, conditions due to outbreaks, epidemics or pandemics, decreased funding, or a lack of staff restrict access to care, telehealth may bridge the gap[[4]](https://en.wikipedia.org/wiki/Telemedicine#cite_note-4) as well as provide distance-learning; meetings, supervision, and presentations between practitioners; online information and [health data](https://en.wikipedia.org/wiki/Health_data) management and healthcare system integration. Telehealth could include two [clinicians](https://en.wikipedia.org/wiki/Clinician) discussing a case over [video conference](https://en.wikipedia.org/wiki/Videoconferencing); a robotic surgery occurring through remote access; physical therapy done via digital monitoring instruments, live feed and application combinations; tests being forwarded between facilities for interpretation by a higher specialist; home monitoring through continuous sending of patient [health data](https://en.wikipedia.org/wiki/Health_data); client to practitioner online conference; or even videophone interpretation during a consult.
* In the 2010s, integration of smart home telehealth technologies, such as health and wellness devices, software, and integrated [IoT](https://en.wikipedia.org/wiki/Internet_of_things), has accelerated the industry. Healthcare organizations are increasingly adopting the use of self-tracking and cloud-based technologies, and innovative data analytic approaches to accelerate telehealth delivery.
* Competition:

American Well, Ping An Good Doctor, and GlobalMed also held significant shares of the market. Delivery of novel services for the treatment of various chronic diseases and strong focus on expanding their geographical presence are expected to favor the growth of these companies. However, Increasing investments and unique business models of start-up companies are anticipated to change the competitive landscape of the market in the upcoming years. These firms are receiving high funding from equity firms for expanding their

businesses. For instance, in April 2022, Avi Medical, a German healthtech startup, received a series B funding of USD 54.5 million (€50 million) to expand its telemedicine platform. The company’s patient-facing app helps monitor their health. Similarly, in June 2019, Zava received funding of USD 32 million. The company said that it was planning to use this capital to expand its services in this market and across Europe.

Competitors to Teladoc:

* [1. Amwell](https://bstrategyhub.com/teladoc-competitors-and-alternatives/#1_Amwell)
* [2. OneMedical](https://bstrategyhub.com/teladoc-competitors-and-alternatives/#2_OneMedical)
* [3. Sesame Care](https://bstrategyhub.com/teladoc-competitors-and-alternatives/#3_Sesame_Care)
* [4. PlushCare](https://bstrategyhub.com/teladoc-competitors-and-alternatives/#4_PlushCare)
* [5. Amazon Care](https://bstrategyhub.com/teladoc-competitors-and-alternatives/#5_Amazon_Care)
* [6. Walmart Health Virtual Care (formerly MeMD)](https://bstrategyhub.com/teladoc-competitors-and-alternatives/#6_Walmart_Health_Virtual_Care_formerly_MeMD)
* [7. HealthTap](https://bstrategyhub.com/teladoc-competitors-and-alternatives/#7_HealthTap)
* [8. MDLive](https://bstrategyhub.com/teladoc-competitors-and-alternatives/#8_MDLive)
* [9. Included Health (formerly Doctor on Demand)](https://bstrategyhub.com/teladoc-competitors-and-alternatives/#9_Included_Health_formerly_Doctor_on_Demand)
* [10. CrelioHealth](https://bstrategyhub.com/teladoc-competitors-and-alternatives/#10_CrelioHealth)
* [11. SimplePractice](https://bstrategyhub.com/teladoc-competitors-and-alternatives/#11_SimplePractice)
* [12. Doxy.me](https://bstrategyhub.com/teladoc-competitors-and-alternatives/#12_Doxyme)
* [13. NextGen Healthcare](https://bstrategyhub.com/teladoc-competitors-and-alternatives/#13_NextGen_Healthcare)
* [14. OhMD](https://bstrategyhub.com/teladoc-competitors-and-alternatives/#14_OhMD)
* [15. Centura Health](https://bstrategyhub.com/teladoc-competitors-and-alternatives/#15_Centura_Health)

KEY INDUSTRY DEVELOPMENTS:

* + March 2023 - Temple University Health System (Temple Health) and Masimo expanded their collaboration to include various new devices and technologies in telehealth and Remote Patient Monitoring (RPM) offerings.
  + September 2022 – Medyseva, an Indian healthtech start-up, raised USD 0.18 million (INR 15 million) in pre-series funding to expand access to telemedicine in rural India.
  + March 2020 – VivaBem, a Brazil-based telehealth start-up, collaborated with Sweden-based Dokter.se and raised USD 2.5 million to expand its services in Brazil.
  + April 2019 – InTouch Health announced the launch of Solo, an end-to-end fully integrated virtual care platform, which is suitable for any user type in any healthcare setting.

## Results

* Contracting largely with insurers and large employers, Teladoc Health generates revenue through a yearly or monthly fee charged per subscriber, as well as a fee for individual consults. Some companies waive or subsidize the consult fee for their employees. Teladoc Health has around 7,000 licensed care providers and services offered in about 30 languages. By July 2020, the company stated it served "60 of the top 100 hospitals," with telemedical robots being used at hospitals such as [Providence Regional Medical Center](https://en.wikipedia.org/wiki/Providence_Regional_Medical_Center_Everett) in [Everett, Washington](https://en.wikipedia.org/wiki/Everett,_Washington) and [Sheba Medical Center](https://en.wikipedia.org/wiki/Sheba_Medical_Center) in [Israel](https://en.wikipedia.org/wiki/Israel), minimizing the potential spread of coronavirus.
* Teladoc's third-quarter revenue grew 8% to reach $660 million, boosted by solid performance in its chronic condition management business and steady membership growth as the company now touts 90 million users.
* The telehealth giant, which has been in operation for 20 years, also narrowed its losses this past quarter to a net loss of $57 million, or 35 cents per share, compared to a net loss of $73.5 million, or 45 cents per share, for the third quarter of 2022.
* Teladoc's scale, strong financial position and free cash flow performance put the company in a competitive position compared to many virtual care startups struggling in the current fundraising and macroeconomic environment, Gorevic said.
* "Our competitive takeaways fall into two categories. One is where our competitors just fail to deliver for their clients. We're able to come in with our demonstrated track record of success and operational capabilities in order to win away those competitive takeaways. We certainly benefit not only from our operational capabilities, but also the breadth of our product portfolio, and our whole-person approach," he said during an interview.
* "In some cases, we are replacing someone who quite frankly is faltering in this current economic environment because they have a business model or an economic model that isn't sustainable, and we're seeing them struggle either to raise capital or quite frankly to exist at all," Gorevic told investors and analysts during the earnings call Tuesday.

Teladoc offered a weaker-than-expected forecast for 2024, projecting slower revenue growth as the telehealth market has become crowded with digital health players.

The virtual care giant pulled in $661 million in revenue in the fourth quarter of 2024, up 4% from $638 million in the same period a year ago. Access fees revenue grew 4% to $574 million, and other revenue grew 3% to $87 million. U.S. revenue grew 2% to $565 million, and international revenue grew 15% to $96 million.

The company's BetterHelp virtual mental health business saw flat growth in the fourth quarter, bringing in $277 million. The weakness in BetterHelp sales was the result of lower direct-to-consumer marketing yield.

Teladoc's integrated care segment—its virtual care business aimed at health plans, employers and health systems—brought in $384 million, up 8% from last year, according to Teladoc's [fourth-quarter and full-year earnings report](https://ir.teladochealth.com/news-and-events/investor-news/press-release-details/2024/Teladoc-Health-Reports-Fourth-Quarter-and-Full-Year-2023-Results/default.aspx).

The telehealth giant, which has been in operation for 20 years, reported a net loss of $29 million, or 17 cents per share, in the fourth quarter compared to a net loss of $3.8 billion, or a loss of $23.49 per share, for the fourth quarter of 2022.

The results topped Wall Street expectations. The average estimate of 10 analysts surveyed by Zacks Investment Research was for a loss of 22 cents per share. However, revenue missed the consensus estimate of $670.79 million.

Shares of Teladoc dropped 22% Wednesday morning as the company missed Q4 revenue estimates and offered a downbeat forecast for the rest of the year.

Telaodoc's 2023 revenue grew 8% to $2.6 billion from $2.4 billion a year ago. The company's integrated care segment brought in revenue of $1.5 billion, up 7% from a year ago, and BetterHelp revenue jumped 11% to reach $1.1 billion in 2023.

Teladoc reported a fourth quarter 2023 adjusted EBITDA increase of 22% to $114 million, and full year 2023 adjusted EBITDA grew 33% to $328 million.

Teladoc CEO Jason Gorevic noted that the adjusted EBITDA for the direct-to-consumer mental health business BetterHelp increased 11% to $58 million in the fourth quarter and was up 19% to $136 million for the full year.

But the company offered a downbeat forecast, projecting first-quarter revenue in the range of $630 million to $645 million, short of the analysts' projections of $673 million. It also expects an EPS loss between 55 cents and 45 cents, worse than the consensus projection of a loss of 43 cents per share.

For the full year of 2024, Teladoc expects revenue to range between $2.635 billion and $2.735 billion, slightly below analysts' expectations of $2.77 billion for the year. It also forecasts EPS loss between $1.10 and 80 cents, beating analysts’ expectations of $1.23.

The company also projects integrated care membership to reach between 90 million and 92 million members.

Teladoc has a large client base with 90 million members that provides a "steady source of revenue," Gorevic said, but, he noted, the virtual care market has become saturated.

"It's important to remember that most U.S. healthcare consumers have access to virtual urgent care today, so it's largely a replacement market at this point. We've consistently taken share in this market and we expect to continue to do so but it's fairly well penetrated. And accordingly, we anticipate revenue growth for our U.S. virtual care product will be in the low single digits going forward," he told investors.

The remaining half of Teladoc's integrated care segment revenue is primarily comprised of its chronic condition management segment and its international virtual care business. "Our general medical virtual urgent care book of business, including our 90 million members, represent a long runway for continued cross-selling of our chronic care products as we execute against our land and expand strategy," Gorevic said.

"About 16% of our general medical client base has access to one or more of our chronic care products today. That's up from just 12% two years ago. While we made a lot of progress over the last two years, with 16% penetration, there's still a long runway for chronic care growth within our existing virtual care," he noted.

SEGMENTATION

* By Type Analysis

Increasing Deployment of Teleconsultation by Hospitals to Favor Services Segment

* Based on type, the market is segmented into products and services. The services segment accounted for the maximum revenue share of the market in 2022. Teleconsultation services substantially reduce the waiting time for consultations and referrals. This is why an increasing number of hospitals are providing or deploying e-consultation services, which, in turn, is favoring the services segment growth.

According to an article published in the Times of India in February 2023, the number of free telemedicine consultations in India crossed 100 million during the month. Such a high number is indicative of the increasing adoption of telemedicine services, thereby propelling the growth of services segment.

The introduction of technologically advanced medical devices that can be connected wirelessly and integrated with mobile phones will aid the product segment's growth. Besides, the rapid adoption of wearable patient monitoring devices is expected to drive the segment’s expansion.

By Modality Analysis

* Rising Number of E-Visits to Boost Demand for Real-time Telehealth Solutions
* On the basis of modality, the market is segmented into real-time, Store-and-Forward (S&F), and others.
* The real-time segment is expected to witness lucrative growth owing to the drastic rise in the number of e-visits. According to the On-demand Virtual Care Benchmark Survey, 32.1% of doctors in the U.S. had an on-demand virtual care service in 2018. This is likely to propel the growth of the real-time segment.
* The increasing application of telehealth in the diagnosis of diseases, especially in dermatology and radiology, is expected to favor the expansion of the store-and-forward segment. Moreover, the rising internet penetration, even in rural areas, coupled with a significant increase in the number of smartphone users, is projected to augment the growth of the others segment.
* By Application Analysis
* High Demand for Diagnostic and Image Interpretation Services to Spur Adoption of Teleradiology Services
* Based on application, the market is fragmented into teleradiology, telepathology, telecardiology, telepsychiatry, teledermatology, and others.
* The teleradiology segment dominated the market in 2022 and is expected to maintain its dominance throughout the forecast period. Factors attributable to the expansion of this segment are advancements in Store-and-Forward (S&F) technologies and dearth of radiologists in rural areas. According to the Canada Association of Radiologists (CAR), there will be a need for 1,700 new radiologists during the period of 2019-2040. This factor is expected to drive the teleradiology segment.
* The increasing demand for digital health products and services for behavioral health, especially during the COVID-19 pandemic, is a key factor expanding the telepsychiatry segment. As per the Excellus BlueCross BlueShield survey, 22% of the e-visits made by the Excellus BlueCross BlueShield members in 2018 in the U.S. were for behavioral health, which included conditions, such as bipolar disorders, attention disorders, depression, and anxiety. Furthermore, in October 2022, the Union Ministry of Health & Family Welfare of India rolled out tele-mental health services across the nation. The network consisted of 23 tele-mental health centers of excellence, which will work with the International Institute of Information Technology, Bangalore and the National Institute of Mental Health and Neurosciences (NIMHANS).
* The rapid adoption of remote cardiac monitoring devices and m-health apps for tracking the heart and pulse rate is a prominent factor augmenting the growth of the telecardiology segment. The increasing number of dermatology visits and rising demand for dermatoscopes are likely to propel the teledermatology segment growth. The surging telemedicine applications in urology, neurology, chronic diseases, and others are also expected to propel the growth of the segment.
* By End User Analysis
* Increasing Number of Government Initiatives to Boost the Adoption of Telemedicine among Healthcare Facilities
* In terms of end user, the market is segmented into healthcare facilities, homecare, and others.
* The healthcare facilities segment is expected to dominate the market. The increasing number of government-funded pilot programs for telemedicine, use of telecommunications tools to train doctors in medical colleges, and rising number of service providers for virtual consultations are the primary factors poised to surge the healthcare facilities segment during 2023-2030.
* The homecare segment is projected to witness the fastest CAGR over the forecast period. Primary factors responsible for the growth of this segment are significant cost-saving in healthcare services expenditure and rising geriatric population. Furthermore, the adoption of telemonitoring to eliminate the need to visit hospitals is projected to fuel the segment’s growth in the future.
* ## Recommendations
* Introduction of AI-based Clinics
* Artificial Intelligence-powered booths have emerged in local malls in the past few years. The system includes a smart medicine cabinet that can dispense more than 100 medications. In November 2018, Ping An Good Doctor announced the launch of a tiny unstaffed clinic that incorporated Artificial Intelligence (AI). Patients who required immediate consultations could sit in the three-square meter booth and consult with a doctor, which functioned through AI.
* The AI machine collects the patient’s medical history and provides a diagnosis strategy, which will then be transferred to a clinical expert. These miniature clinics are called “One-Minute Clinics.” These clinics can then connect patients with a clinician on Ping An Good Doctor’s in-house medical team. Such AI-based clinics can be set up anywhere from schools to shopping malls and pharmacies to highway service stations. Additionally, in February 2023, Vitalchat launched AI-enabled E-Sitter to transform inpatient telehealth for hospitals. This solution is powered by voice and movement, offering hands-free technology. Hence, such innovations in digital health offer tremendous opportunities for the market to exhibit a positive growth trajectory during the forecast period.
* Only 25% of healthcare organizations have deployed generative AI solutions, but that is expected to more than double next year as executives see opportunities to automate clinical documentation and improve patient communication.
* According to a new KLAS report, 58% of healthcare executives say their organization is likely to implement or purchase a solution within the next year. Larger organizations, particularly hospitals with more than 500 beds, are more inclined to invest in a solution than smaller organizations, according to a new [KLAS Research report](https://klasresearch.com/report/generative-ai-2023-what-are-organizations-current-adoption-and-future-plans/3296).
* Larger providers and payers have more resources to adopt generative AI solutions more swiftly. "In addition, larger organizations often have data more readily available and employ data scientists and specialists who can effectively develop, implement, and drive outcomes with these solutions," the KLAS Research analysts wrote in the report.